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SUBJECT: INTRODUCING THE COORDINATOR FOR INTERNATIONAL
ENERGY AFFAIRS

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A MESSAGE FROM S/CIEA DAVID GOLDWYN FOR ALL ENERGY

OFFICERS

1. SUMMARY. As part of the Administration's energy policy, the Secretary recently appointed me as the Department's Coordinator for International Energy Affairs S/CIEA. In this position, I will help to ensure that energy security is integrated into the core mission of the Department and to elevate energy diplomacy as a key function of U.S. foreign policy. S/CIEA will focus the Department's capacities in traditional, new, renewable, and nuclear energy, raise the profile of energy sector governance and transparency issues, and engage on both hydrocarbon and power sector reform in countries of concern. We will also work closely within the interagency to coordinate the many key agencies that impact U.S.

energy security at a policy or technical level. In close coordination with E, EEB, S/SECC, S/EEE, and regional bureaus, S/CIEA will provide the institutional expertise and leadership to guarantee that energy considerations are taken into account in our relationships with major producers and consumers. We will work closely with offices domestically and our Missions overseas to advance our energy security agenda. END SUMMARY

Energy Security

2. At a briefing with the Secretary on September 16 and an energy security senior policy review the week before, I laid out my vision on energy security and the role of S/CIEA. I want to enlist all officers responsible for energy issues, domestically and overseas, to work with me to achieve this vision, recognizing that efforts to advance our goals on energy, environment, and governance need to be seamlessly integrated.

3. Energy security, for all countries, means access to diverse, reliable, and affordable energy supplies free of political or economic coercion. For the United States, achieving energy security traditionally has meant avoiding oil price shocks and volatility. We achieve this by diversifying the kind of fuel we use and the number of countries that provide it to us, by slowing the rate of increase of our own energy demand and that of other nations through improved efficiency, development, and deployment of clean energy technology, and enhancement of the efficiency of energy markets. We also need to keep in mind that, even as we transition to a less carbon intensive economy, for some time to come we will still need to focus on the availability of oil and gas supplies to the U.S. and global market.

4. For our friends and allies around the world, energy security often means physical access to oil and natural

gas, or even just basic electricity. The security and stability of many countries depend on their access to

energy, and the impacts of energy poverty have security, economic, and moral implications for U.S. policy.

15. On security of supply, we want to concentrate on the sustained contribution of key energy producers such as (but not exclusively) Brazil, Canada, Mexico, Angola, Nigeria, Ghana, Saudi Arabia, Qatar, Kazakhstan, Indonesia, Azerbaijan, Russia, and Australia to global energy markets. Our goal is to promote a diverse supply of traditional fuels (e.g., oil and gas), unconventional fuels (e.g., shale gas) and alternative energy sources (e.g., biofuels and renewables) to markets as the global economy recovers and demand rises with it.

16. On the demand side, we will engage major consumers, most importantly large emerging economies, such as China and India, on their energy security, diversification of supply, the importance of efficient and transparent energy markets, the need to reform subsidies so that they are targeted on the poorest, and the transformation of their energy economies as they seek to provide electric power to their growing economies.

17. Transparency and good governance are key to protecting energy markets. We will prioritize energy sector governance -- stronger institutions, transparent procurement, and competition in the purchase and sale of

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acreage -- to maximize value for producer countries and deter corruption. Producers and consumers benefit from a predictable and stable investment environment. The Extractive Industries Transparency Initiative (EITI) is an important effort that we strongly support to achieve these goals.

Power Sector Reform is Key

18. In many countries power sector reform is crucial to economic growth, reducing poverty and creating a business climate where the private sector will invest in clean energy technology and help the poorest countries move from high carbon fuels, (e.g., kerosene, dung, or coal) to less

carbon intensive fuels like natural gas, hydropower, wind, solar, or nuclear energy.

International Cooperation

19. Expanding the collective energy security system to include all the world's major consumers is overdue. While the current structure focuses on developed countries, the rise of major energy consumer in the developing world cannot be ignored. Engagement will range from working with institutions like the International Energy Agency (IEA) and the International Renewable Energy Agency (IRENA) to multilateral cooperation in the Americas under the Energy and Climate Partnership of the Americas (ECPA), APEC, and the EU. We will also work with the International Energy Forum (IEF) to improve the collection of oil and gas market data and reduce volatility in oil prices.

110. Engagement must also occur within our own government. The State Department is fortunate to have an excellent energy team. I will work closely with Ambassador Richard Morningstar, Special Envoy for Eurasian Energy, on Russia and Eurasia energy issues, and with Todd Stern, Special Envoy for Climate Change, on areas where climate and energy security intersect, such as clean energy technology. I will also work closely with Under Secretary Hormats, as well as his staffs in E and EEB, to help advance the Department's overall economic agenda of which

energy security is a critical part. In the interagency, I intend to work closely with the Department of Energy on policy dialogues to advance investment in new and traditional energy technologies, as well as nuclear energy. DOE has deep and broad expertise that we should tap into to advance our international energy security agenda. USAID has abundant experience in power sector reform and transparency. S/CIEA will leverage existing programs and work to create new ones to promote energy sector development. This will also include working with the Department of Interior's Minerals Management Service

(MMS) and the U.S. Geological Survey (USGS) to provide American technical expertise to priority countries.

Role for Energy Officers

¶11. State Department personnel working on energy, both domestically and internationally, are crucial to advancing our energy security policy. Our Missions overseas represent the front line of our engagement with other governments, the private sector, and communities. We encourage Posts to raise the issue of energy security with contacts at every available opportunity and to report developments that impact U.S. and global energy security. I, and my two senior advisors, Paul Hueper and Michael Sullivan, plan to meet regularly with key players both in Washington and overseas to advance our energy security agenda. These meetings will also provide the opportunity to meet with as many officers as possible to discuss energy security issues. I welcome your feedback and reporting on energy issues affecting your countries and portfolios. We will provide regular points for Missions to utilize as we refine and develop our policy. This is a team effort and we need everyone's involvement to ensure our message has the greatest impact.

¶12. Minimize considered.
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